

ACCESS

T B L M A R K E T I N G B I - M O N T H L Y

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TBL construction crews are upgrading the Columbia Falls 230 KV substation to five breaker positions to accommodate local growth. Photo by Construction Foreman Jerry Downing.

reflect ancillary services previously bundled into power rates. With the advent of deregulation, those services have now been unbundled and are appearing only on transmission bills.

- Electronic scheduling will not be mandatory beginning October 1, with the exception of ancillary services data submittals. However, within six months, we will introduce new and automated ways to apply for transmission service and to schedule transmission needs. In the mean time, TBL has introduced a new Customer Web Interface, an automated planning and scheduling system, so customers who choose to do so can make electronic transactions with the TBL.

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TBL implements new tariff and rates

October 1, 2001 marks a change in the way the Transmission Business Line will do business. For the next two years, Bonneville Power Administration's transmission arm will operate under a new open access transmission tariff and rates with new or revised business practices. These are big changes for many customers, but we are determined to help everyone make a smooth transition to the new world. Here are some of the changes that may affect customers on October 1:



- Most new Business Practices apply to marketers and schedulers while fewer will affect full requirements customers within the BPA control area. One Business Practice, however, will impact them positively. That is the Creditworthiness Business Practice. In the past, a \$2,500 fee was assessed Network Integration and Point to Point services applications. That will go away and BPA's historical customers will automatically meet the creditworthiness criteria.
- With the new tariff, customers will see changes in their bills that

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Rates change, product offerings expand

As of October 1, the federal transmission system began to operate under new rules and new rates that will be in effect until Sept. 30, 2003. The Transmission Business Line is now

LIKE THE FERC TARIFF, TBL'S OPEN ACCESS TRANSMISSION TARIFF IS DESIGNED TO FACILITATE NON-DISCRIMINATORY OPEN ACCESS FOR POWER MARKETS.

operating under an open access transmission tariff that is as similar as possible to the Federal Energy Regulatory Commission's pro forma open access tariff, given regional conditions and needs. The Tariff was agreed to by customers in the rate case settlement. Like the FERC tariff, TBL's open access transmission tariff is designed to facilitate non-discriminatory open access for power markets.

With new rates customers with Network Integration service or Point to Point service will pay 7 percent to 24 percent more for long term service on the BPA network than they've been paying for transmission services since 1996. Part of that increase is because their bills will now reflect ancillary services that were previously embedded in power rates. With the advent of deregulation, the services have now been unbundled and are appearing only on transmission bills.

At the same time, the TBL is introducing two new scheduling products that give customers greater flexibility and control of what they buy.

"Many of the changes customers are seeing bring us closer in line with FERC's pro forma open access tariff," said Nancy Parker of TBL's rates and tariffs department. "Others are ways of offering products that are closer to what our customers want."

The previous tariff required customers to purchase transmission services by the day, week or month. Now they can request any number of days, whatever fits their needs. "This arrangement is much more flexible," Parker said. "A customer doesn't have to be pigeon-holed into a specific time period that is set by the transmission provider and may have little to do with their needs."

"“MANY OF THE CHANGES CUSTOMERS ARE SEEING BRING US CLOSER IN LINE WITH FERC'S PRO FORMA OPEN ACCESS TARIFF.”

NANCY PARKER
TBL RATES AND
TARIFFS DEPARTMENT.

The TBL is also offering an hourly firm product that can be reserved on a day-ahead basis. Under the previous tariff, customers who wanted firm transmission had to buy it for one day. Now, customers who need transmission for peak periods of the day, only have to buy transmission for those periods and don't have to purchase and pay for what they don't use.

Ancillary Services

"Increased prices include six ancillary services, but only two are required to be purchased from the TBL, the transmission provider," said Parker. Those are "Scheduling, System Control and Dispatch" and "Reactive Supply and Voltage Control from Generation Sources."

The remaining four ancillary services are necessary under certain conditions and may be purchased from TBL or supplied by the transmission customer or a third party. Two will be

charged to customers with load in the BPA control area— Regulation and Frequency Response and Energy Imbalance (customers purchasing products with load variance from the PBL will not be charged Energy Imbalance). Customers serving load with generation located in the BPA control area will need Spinning and Supplemental Operating Reserves.

Other Changes

Customers have always had to return line losses, but most customers purchased losses directly from the TBL. According to Parker, the TBL is now out of the business of selling losses and customers will have to make those arrangements with a power provider. She said each customer should assess its own situation since losses are included in certain PBL power products.

THE TBL IS NOW OUT OF THE BUSINESS OF SELLING LOSSES AND CUSTOMERS WILL HAVE TO MAKE THOSE ARRANGEMENTS WITH A POWER PROVIDER.

Another cost that is rising is the Delivery Charge for low voltage facilities that the TBL owns and that directly serve a customer. The rising cost of \$0.75 to \$0.93 per MW is giving many customers the economic opportunity to purchase the facilities from BPA.

"There is a lot of new information to absorb, but also many more opportunities for customers," Parker said. She suggested customers become familiar with the rate and tariff information available at the TBL's Open Access Same Time Information System website on the Internet at <http://www.transmission.bpa.gov/OASIS/BPAT>.

TBL implements new tariffs and rates

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- Transmission bills will change little in appearance, but will expand considerably as we attach more detail to each bill. As the new scheduling system is brought on line, the TBL will transition to an enhanced billing system that is keyed off of the electronic schedules provided by customers. As that occurs, our billing department expects those enhancements to be transparent to customers.

THESE ARE BIG CHANGES FOR MANY CUSTOMERS, BUT WE ARE DETERMINED TO HELP EVERYONE MAKE A SMOOTH TRANSITION TO THE NEW WORLD.

RUTH BENNETT
TBL SALES MANAGER

To help you through these changes, between October 1 and October 15, our customer Account Executives are standing by in their offices to answer your questions. In November, the Account Executives along with subject-matter experts will hold regional meetings with customers in Portland, Seattle and Spokane to discuss the changes associated with our 2002-03 tariff and rates.

Please don't hesitate to call me or your TBL Account Executive with your questions and comments. We are here to help you through this transition to the new tariff.

— Ruth Bennett, TBL Sales Manager

TBL serves PBL Slice customers

One of the challenges of a transmission system is how to accommodate power products offered by power marketing agencies while not compromising transmission reliability and ensuring that customers are treated equally. For the Transmission Business Line, one of those products is the Bonneville Power Administration's Slice power product. With Slice, a customer receives a percentage of BPA's generation in exchange for a payment of the same percentage of BPA's expenses. All the flexibility embedded in the Federal System is proportionately reflected in the Slice product.

Twenty-five of PBL's preference customers have chosen to sign a Block/Slice agreement whereby they buy a fixed block of power to serve load and additional energy. Although TBL doesn't have a specific transmission service for the Slice product, it has found ways to implement this product through TBL's Open Access

ONE OF THE CHALLENGES OF A TRANSMISSION SYSTEM IS HOW TO ACCOMMODATE POWER PRODUCTS OFFERED BY POWER MARKETING AGENCIES WHILE NOT COMPROMISING TRANSMISSION RELIABILITY AND ENSURING THAT CUSTOMERS ARE TREATED EQUALLY.

Transmission Tariff and its 2002 Transmission and Ancillary Service Rate Schedules. Slice customers can elect to purchase long and short-term transmission from TBL under TBL's Point to Point and Network Transmission services and the following Ancillary Services from either

TBL, from a third party, or by self-supply: (i) Regulation and Frequency Response; (ii) Energy Imbalance; (iii) Operating Reserves - Spinning; and (iv) Operating Reserves - Supplemental.

"From a transmission standpoint, the key challenge for implementing the Slice product is if a Slice customer chooses to self-supply the Ancillary Services," said Mary Ann Dalton, TBL's Slice manager. "Slice customers may use their share of Slice to self supply Energy Imbalance and Operating Reserves if they meet the criteria laid out in TBL's business practices on Ancillary Services."

If a customer meets TBL's criteria to self-supply these services, they will need to provide specific data information through TBL's Commercial Web Interface (CWI) ancillary service screens, she said, which is a new, automated system for TBL and its customers beginning October 1, 2001. Anytime the CWI is not in operation, then the information must be provided by facsimile, phone or by e-mail.

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Little change in look of bills, but watch for more detail

One of the changes Transmission Business Line customers will see after October 1 is the transmission bill. Previous bills were based on capacity

their bills, the TBL will continue to use its existing systems to produce the monthly bills, according to Suzanne Anker, manager of billing at TBL.

and hourly peaks. While those are still line items on the bill, customers will now see a number of ancillary services that previously had been included in both transmission and power bills and are now unbundled.

ALTHOUGH THE TBL IS TRANSITIONING TO A NEW TARIFF WITH NEW RATES AND CUSTOMERS WILL FOR THE FIRST TIME SEE CHARGES FOR UNBUNDLED SERVICES ON THEIR BILLS, THE TBL WILL CONTINUE TO USE ITS EXISTING SYSTEMS TO PRODUCE THE MONTHLY BILLS.

SUZANNE ANKER
MANAGER OF BILLING.

Although the TBL is transitioning to a new Tariff with new rates and customers will for the first time see charges for unbundled services on

“The new bills will be produced by the existing billing system software,” Anker said. “While the cover and statement will look very much like the current bill, the biggest changes will be in what follows. In many cases we’re going from two billing determinants to nine and those will show up in a series of detailed attachments.”

During the rate period from Oct. 1, 1996 to Sept. 30, 2001, TBL Network Transmission service customer bills included a base charge, a charge for load shaping and a charge for reactive. Scheduling and dispatch costs that were included in TBL’s base charge are now billed as a separate line item. Energy Imbalance will now be applied as the TBL accommodates the Power Business Line’s new Slice product and also due to the addition of small generators on some systems.

Generation reactive and operating reserves (both capacity and energy) that were bundled in PBL bills are now unbundled and included on TBL bills.

Few customers will be charged for “all” ancillary services, said TBL Account Executive Joe Rogers. Several factors will determine what each customer will be charged. Among those are whether the customer receives NT services or Point to Point services; whether the customer’s point of delivery is in or out of the Bonneville Power Administration’s control area; and whether the customer is a full or a partial requirements customer. (See the matrix of billed services on page 6 for a general idea of services included on customer bills.)

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Need Help to get a handle on your bill?

Although bills for Transmission Business Line customers will look the same, they will be chock full of new information. New rates go into effect October 1 and in November customers will begin to see ancillary services itemized on transmission bills and spreadsheets attached to bills will become much more detailed.

For example, the spreadsheets for a typical Network Transmission service customer could include Points of Delivery and Metering Points, demand, loss factors, a delivery charge and other elements that explain how the bill was computed.

TBL can help. This month TBL Account Executives, working with TBL’s billing department, began developing “sample” bills for customers that are based upon July 2001 or generic meter readings, but calculated under the new Open Access Transmission Tariff, rates and Business Practices. “Sample” bills include all the new billing elements and detail. As soon as the samples are available, your TBL Account Executive will be sharing them with you.

Business Practices set the guidelines for transmission operations

Business Practices set the rules and guidelines for communicating with the Transmission Business Line as well as what customers must do to schedule and receive transmission services. The change to the 2002-03 Open Access Transmission Tariff October 1 requires that the TBL make significant changes and additions to these rules.

Among the 23 separate Business Practices now posted on the TBL's Open Access Same Time Information System are those that lay out rules and procedures for transmission service applications, billing and payment processes, applying for ancillary services and how the TBL will make further changes over the next half year. However, not all Business Practices have applications for every customer. In fact, each type of customer may have a little different package of requirements, said TBL Account Executive Bob King.

"ALTHOUGH LONG-TIME FULL REQUIREMENTS CUSTOMERS ARE NOT EXEMPT FROM BUSINESS PRACTICES, WE ARE TRYING TO MINIMIZE THE IMPACT ON THOSE WHO ARE WITHIN THE BPA CONTROL AREA."

BOB KING

TBL ACCOUNT EXECUTIVE

"Nearly all Business Practices apply to marketers, investor-owned utilities and Independent Power Producers," King said. "Long-time full and partial requirements customers are not exempt from Business Practices, but fewer apply to them. However, while each customer needs to become familiar with the few Business Practices that will impact them, everyone should at least be somewhat familiar

with the other procedures that mark this change towards deregulation."

He said that customers who are not involved to a significant extent with wholesale power markets need only concentrate on seven Business Practices. These are:

- **Application Procedures** – This Business Practice has a positive impact. In the past, a \$2,500 fee was assessed Network and Point to Point service applications. That will go away.
- **Billing & Payment** – see accompanying article on page 4.
- **Contiguous Points of Delivery** – This is an important practice that could save money for many of TBL's smaller PTP customers.
- **Creditworthiness** – Although the new tariff calls for the payment of a deposit equal to the first month's transmission demand, the rate settlement waives the deposit for those who meet the Bonneville Power Administration's creditworthiness criteria. The TBL has determined that its existing customers will automatically meet the creditworthiness criteria. However, the TBL is reserving the right to seek additional financial security if any customer appears unable to meet its current or future financial obligations. In addition, new customers must either pay in advance, provide a letter of credit or obtain backing that supplies the needed credit rating to underwrite transactions.
- **Load & Resource Forecast** – All customers are required by the Open Access Transmission Tariff to provide load forecasts, but the TBL will develop forecasts for full and partial requirements customers and review those forecasts with each customer. The forecasts are used to determine the usage of constrained transmission paths to calculate

Available Transmission Capacity and curtailments. They are also used to determine energy and generation imbalance deviations and operating reserve requirements.

- **Real Power Losses** – The TBL will no longer be a loss provider. Customers will have to self-supply, third-party supply or purchase from the PBL for power losses beginning with the new tariff.
- **Regulation and Frequency Response** – This Business Practice applies to all customers within the BPA load control area.

Transmission customers who work with wholesale transactions, such as IOUs, generators connected to the federal transmission system, public utilities that sell wholesale power, direct service industries and power marketers, should be familiar with those Business Practices above, as well as these:

- **Available Transmission Capacity**
- **Capacity Limits for Preschedule on PNW-PSW Intertie**
- **Criteria for Dynamic Scheduling**
- **Energy Imbalance Service**
- **Generation Imbalance Service**
- **Extensions for Commencement** – this Business Practice discusses the process for extending the commencement date of the Transmission Service Agreement
- **Remote resources and load Requests for STF on ACDC**
- **Reservations and Scheduling Procedures** – these procedures apply to Point to Point service customers, but not to Network service customers.
- **Reserve Service Power Products**
- **Sheltering Basics**
- **Reduction LT S-N ATC Offerings on COI**
- **Operating Reserves** – Spinning and Supplemental Services

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Business Practices

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- Redispatch and Curtailment Procedures
- Special Intertie Services
- Transition Plan

According to King, customers using the BPA Power Business Line's Slice product will need to become familiar with nearly all Business Practices. Twenty-five of PBL's customers have chosen some form of a Slice agreement in which the quantity of energy and the price fluctuates and are determined on a daily basis. Operating under this agreement, he said, requires a knowledge of Business Practices.

Another issue that is important to all customers is curtailment management when TBL transmission is out of service for maintenance or is reduced due to heavy use. Customers are responsible to make alternative service arrangements where such arrangements are possible. TBL is working with customers who are at risk of having their service curtailed.

Another Business Practice that is not completed is one that sets a new methodology for transmission system impact studies. With 29,000 megawatts of new generation projects waiting for these studies, the TBL needs to develop a methodology so the potential generators and the TBL know exactly what will happen after an application is made and what a realistic timeline is, according to TBL Account Executive Mike Raschio.

"We only need about 5,000 to 8,000 MW of the most promising projects waiting in the wings," Raschio said. "But we have to deal with each proposed project on a first come, first served basis. We're hoping the new methodology will better reflect what we need to get done."

King said the number and complexity of the new and revised Business Practices warrant additional study and for that reason the TBL

Account Executives, as well as TBL subject-matter experts, are on hand in their offices to answer questions through mid-October.

In November, watch for an announcement for regional meetings with customers in Portland, Seattle

and Spokane to discuss the changes associated with the TBL's 2002-03 Open Access Transmission Tariff. Complete copies of the TBL Business Practices are posted on TBL's OASIS website on the Internet at <http://www.transmission.bpa.gov/OASIS/BPAT>.

Little change in look of bills, but watch for more detail

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As the TBL's billing department works through the details of these changes, Anker said it may have to perform some billing functions manually and that could lead in some cases to delays in getting bills out to customers. But she said customers who submit transmission schedules can help by using the TBL's Customer Web Interface, an automated planning and scheduling system.

"A lot of the success of the new system will come with that automation because customers will provide a piece of the data entry as they schedule their transmission requirements," she said.

Although the goal is to bill 75 per-

cent of customers in the first five working days of the month, Anker is expecting some slowdowns during the first few months. When a bill is ready, the TBL will continue to send a facsimile to the customer and will follow that with a copy sent through the mail. The name and telephone number of the billing analyst who completed the bill will continue to be on the bill.

TBL is working on changes to its new billing system that it expects to bring on line at about the same time as the TBL's new scheduling system. The changes, although significant in the amount of automation it will add to the billing process, will likely be transparent to customers.

*This matrix of billed-services is intended as a guide.
Questions should be directed to TBL account executives.*

CA = BPA control area
FR = full requirements customer
PR = partial requirements customer
WO = wheeling only

MP = metered peak
ME = metered energy
HE = hourly energy
CD = contract demand

| Customer Class | Base Charge | Load Shaping | Reg/Freq. Response | Sched./Disp. | Energy Imbalance | Gen. Reactive | Oper. Reserves |
|----------------|-------------|--------------|--------------------|--------------|------------------|---------------|----------------|
| In-CA FR NT | MP | MP | ME | MP | N/A | MP | HE |
| Out-CA FR NT | MP | MP | N/A | MP | N/A | MP | HE |
| In-CA PR NT | MP | MP | ME | MP | Calculated | MP | HE |
| Out-CA PR NT | MP | MP | N/A | MP | — | MP | — |
| In-CA FR PTP | CD | N/A | ME | CD | N/A | CD | HE |
| Out-CA FR PTP | CD | N/A | N/A | CD | N/A | CD | HE |
| In-CA PR PTP | CD | N/A | ME | CD | Calculated | CD | — |
| Out-CA PR PTP | CD | N/A | N/A | CD | — | CD | — |
| Out-CA WO PTP | CD | N/A | N/A | CD | N/A | CD | N/A |

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TBL paves smooth transition

Transitioning from one Open Access Transmission Tariff to another as well as from one set of transmission rates to another is always complex. It is particularly complex when it involves the significant changes to rates, products, Business Practices and billing from the requirements of the 1996 — 2001 Tariff to those that apply to 2002-03. Although the new tariff and rates are effective October 1, not all Business Practices are complete and not all systems are in place.

Working with customers, the TBL prepared a transition plan that lays out what is required of customers for scheduling that differs from information and requirements previously shared with customers and what the TBL will do as everyone changes to the new tariff October 1 and as new systems are implemented over the next six months. The

Transition Plan is listed as a Business Practice on TBL's Open Access Same Time Information System at <http://www.transmission.bpa.gov/OASIS/BPAT>.

As a component of its business, but not as a requirement of the new tariff, the TBL introduced a new Customer Web Interface so customers can submit transmission schedules and ancillary services data submittals electronically. With the exception of ancillary services data submittals, customers are not required to use the CWI.

“While customers can continue to submit schedules by phone or facsimile, we encourage them to begin

using the CWI as soon as they are fully capable,” Long said. “It will make tracking schedules and billing more accurate.”

In any case, customers should continue to submit E-Tags with each schedule just as they did prior to Oct. 1. The TBL will “time-stamp” all schedules whether they are received by phone, fax, e-mail or through the CWI.

The Transition Plan also establishes procedures for a “bumping” queue on reservations for all products, except for hourly products. It will continue until TBL's reservation system is fully automated.

“Although we are not yet in full automation mode as we begin operations under a new tariff, we are close,” Long said. “The transition plan enables us to move smoothly toward full compliance with the tariff while it helps bring our customers along.”

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